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COMMITTEE ON WAYS AND MEANS

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HEALTH

TRADE

House of Representatives Washington, DC 20515-0502

Congress of the United States

March 9, 2010

Dear Friends,

Washington has a serious spending problem. Spending that was already beyond our means has skyrocketed since 2009. It started with a massive "stimulus" bill totaling over a trillion dollars with interest. Then came proposals for government-run health care and a cap and trade bill that together would spend trillions, impose record-breaking tax increases, and give the federal government unprecedented control over the economy. Democratic leadership continues to push for a government regulation of health care in spite of the fact that the American people have fundamentally rejected their plan. Despite recent promises of fiscal responsibility, the President has introduced a budget that pushes spending to new record levels. In the next fiscal year alone, his budget would spend \$3.8 trillion and increase our debt by \$1.6 trillion. Under his budget, the debt would triple in just ten years.

Every penny of this out-of-control spending will be piled on top of our already enormous fiscal problems. Our entitlement programs have reached a point of crisis, where Medicare and Social Security threaten to consume all federal spending by 2050 and will leave our children and grandchildren buried under a mountain of debt. Unless we act, our generation stands to be the first that will leave our children with a lower standard of living than we currently enjoy. Unfortunately, congressional Democrats and the President are proposing legislation not to limit spending and the size of government, but instead to expand it. As you can see from the graph below, America simply can't afford it.

Debt Held by Public (As Percentage of GDP)



Source: Office of Management and Budget / Congressional Budget Office

We are in debt to nations across the globe, including China. In fact, America owes China \$800 billion, plus interest. Americans fundamentally understand that this massive debt threatens our future prosperity, diminishes our standing in the world and undermines our national security. We must make the tough decisions necessary to get our nation back on a sustainable fiscal path.

When I served on the Budget Committee in the 1990s we balanced the federal budget for four years in a row through common sense reforms and spending reductions. Last year I supported the Republican alternative budget that would have reduced our debt and instituted many of the necessary reforms we need to pull our country out of this financial hole. We need to reduce non-defense spending significantly to help right our ship and prevent us from going even deeper into debt. In order to do that, we need to get our priorities in order and eliminate the wasteful spending and fraud that is so prevalent in government programs. Legislation I championed has saved \$7 billion of taxpayer money by preventing felons from receiving government disability benefits illegally. We should pass legislation that I am supporting that would put an end to TARP and use the remaining funds to pay down our debt. I have also long supported a constitutional amendment that would require Congress to balance the budget instead of spending more taxpayer money and piling on even more debt.

But fiscal discipline alone will not be enough. Bold action is required to reform our entitlement programs and ensure the future of these programs is on a sustainable and fiscally responsible path. We must keep our promise to America's seniors by protecting Social Security and Medicare in their current form for everyone over age 55. But we must also begin laying the foundation for a strengthened retirement security system that will meet the needs of future generations of retirees.

These are difficult times and they call for difficult decisions. The problems we face will not solve themselves. It's time Washington listened to what the American people are saying – we must live within our means. We owe it to our children and grandchildren to rise to this challenge and put America back on the right track. I am committed to doing just that and I hope that you will share your ideas with me at www.herger.house.gov.

Sincerely,

WALLY HERGER

Member of Congress

P.S. Please sign up for my periodic E-Updates at my website – www.herger.house.gov – to stay informed on the latest news regarding the budget, health care and many other issues important to you.